



LIFE IS FOR SHARING.

Telekom CR-facts

The relevance of Compliance for ESG

ESG targets are part of the [remuneration](#) [1] of all executives (ex US) and non-tariff employees and have been part of the Long-Term and Short-Term Incentive for our Board members for some years.

We started to integrate ESG steering into our financial steering and planning processes. As well, ensuring a holistic management system for compliance and risk management based on legal requirements is an important governance aspect in the ESG framework.

With our [WeGrow](#) [2], DTs modern performance management system that enables ongoing development dialog between managers and employees (incl. civil servants), also focuses on our employees' personal development.

A dialogue between manager and employee takes place at least twice a year in order to create clarity about current and foreseeable future work tasks of the current year as well as expected results (in terms of time and quality) and goals. Employee's strengths and development needs are discussed and a commitment on appropriate measures will be agreed. The employee's desired direction of development can also be considered and discussed. All agreed measures will be put into a development plan or a goal plan.

For annual assessment and target management are [DT's guiding principles](#) [3] the main categories for adequate behaviour of the staff (employees and managers). The guiding principle "Act with respect and integrity" contains the narrative that "Respect and integrity are key to our success and our compliance commitment. We foster ethical awareness and strengthen value-based behavior to act appropriately in any situation. We embrace responsibility as part of our society and speak up on

important issues such as tolerance, diversity, fairness and environment."

The Values Based Competency assessment and the performance assessment is based on the Group Competence Model.

It uses a 4-level assessment scale and follows guiding questions. (For Executives the Leadership anchors need to be considered).

Guiding questions for Value Based Competency:

- He / she is strong in collaboration (e.g. across silos).
- He / she accepts and gives constructive feedback and actively requests it.
- He / she is strong in communication.
- He / she acts with respect and integrity.
- He / she promotes diversity and inclusion